

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|   |   |            |
|---|---|------------|
| AN EXAMINATION BY THE PUBLIC SERVICE    | ) |            |
| COMMISSION OF THE ENVIRONMENTAL         | ) | CASE NO.   |
| SURCHARGE MECHANISM OF EAST KENTUCKY    | ) | 2014-00051 |
| POWER COOPERATIVE, INC. FOR THE SIX-    | ) |            |
| MONTH BILLING PERIOD ENDING DECEMBER    | ) |            |
| 31, 2013 AND THE PASS THROUGH MECHANISM | ) |            |
| FOR ITS SIXTEEN MEMBER DISTRIBUTION     | ) |            |
| COOPERATIVES                            | ) |            |

ORDER

On August 25, 2015, the Commission issued a final Order in this matter that, *inter alia*, required East Kentucky Power Cooperative's ("EKPC") Member Cooperatives to include in their applicable environmental surcharge pass-through factors the monthly adjustments set forth in the Order's Appendix for a period of six months.

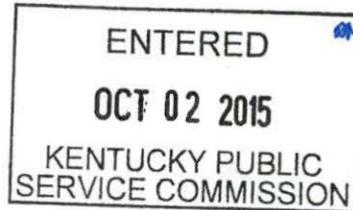
On September 14, 2015, Farmers Rural Electric Cooperative Corporation ("Farmers RECC") and Owen Electric Cooperative, Inc. ("Owen Electric") tendered a petition for rehearing pursuant to KRS 278.400. Farmers RECC and Owen Electric specifically asserted that the Commission's August 25, 2015 Order contains an inconsistency. They noted that the Order requires them to refund 1/12<sup>th</sup> of their respective over-recoveries in equal amounts over a six-month period. Farmers RECC and Owen Electric argue that the Order incorrectly states that all of the Member Cooperatives requested a six-month amortization period, whereas Farmers RECC and Owen Electric requested to use a 12-month amortization period. They stated that due to the magnitude of the over-collections a 12-month period is justified in order to mitigate volatility in customer bills, avoid swings between over-/under-recoveries and

limit harm to their respective financial conditions. Farmers RECC and Owen Electric note that it is technically possible to comply with the Commission's Order, but that doing so would refund only half of the over-recoveries.

After considering Farmers RECC's and Owen Electric's petition for rehearing and being otherwise sufficiently advised, the Commission finds that further examination of the issues raised is required and that the examination cannot be completed within the 20-day time period required by KRS 278.400. Accordingly, the Commission will grant the motion for rehearing to enable further review of the merits of the issues presented.

IT IS THEREFORE ORDERED that Farmers RECC's and Owen Electric's petition for rehearing is granted for the purposes of further consideration.

By the Commission



ATTEST:

  
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